

## **Tax bills may see increase**

By JASON FORDNEY  
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Skyrocketing real estate assessments in Arlington County will increase the average property tax bill by \$460 this year if the County Board does not reduce tax rates.

Tax activists already are calling for a rate reduction, but County Board member Barbara Favola said she doesn't know if a cut will be possible.

Favola and other county officials repeatedly have pointed out that the county's real estate tax rate of \$1.023 per \$100 of assessed value is the lowest in the Washington, D.C., area, but assessments continue to rise. Real estate taxes are the county's single largest source of revenue.

This year's real estate assessment notices, now being mailed out to Arlington County property owners, show an average value increase of more than 20 percent for residential properties in fiscal 2001.

Between July 2000 and June 2001, the sales price of an average Arlington County home jumped from \$224,390 to \$269,500. At the current tax rate, the average bill would be about \$2,700.

Tim Wise, president of the Arlington County Taxpayers' Association, said he has received several calls from residents complaining about the high assessments.

Also a member of the county Fiscal Affairs Advisory Committee, Wise regularly urges the board to cut programs and taxes.

"If this doesn't wake up the people of Arlington, nothing will," Wise said. "It should cause the property owners of Arlington to demand the tax rate be cut."

Property values for single-family homes and town houses increased 21.1 percent, condominiums 24 percent and commercial property 9 percent, according to county figures.

The average increase for all county property, assessed at \$27.1 billion in the new assessments, was 15.2 percent. Slumping hotel property values in the commercial sector brought the total average down, officials said.

Average property values have increased by about 45 percent since 1999, while increasing only 9 percent between 1995 and 1999, said Wayne Kubicki, a member of the Fiscal Affairs Advisory Committee.

"These are unprecedented increases," Kubicki said. "This is the year the tax rate ought to go down some. I can't imagine they would dare to even think of raising the tax rate this year."

Arlington County spokesman Dick Bridges said the county's desirable location and a hot real estate market are the reasons for assessment increases.

“It is all based on home sales,” Bridges said. “Property is extremely desirable, and the closer in you are [to Washington, D.C.] the more desirable it is.”

Favola said fiscal uncertainty in the new budget process makes it unclear what the county will face come budget time. She acknowledged the steep climb in assessments this year, and said the value of her own house jumped 24 percent.

“This has been a big shocker to a lot of people,” Favola said.

“It’s painful,” she said of her family’s tax assessment. “I’m very aware of the pinch we are going to suffer ourselves.”

But Favola said state budget shortfalls, and \$3 million in losses in transient occupancy, sales tax and meals tax revenues arising from the Sept. 11 terrorist attacks make the county’s revenue situation unclear until County Manager Ron Carlee’s fiscal 2003 budget is analyzed further. Commercial property assessments also did not grow much, she said.

“You really have to look at the big picture,” Favola said. “Other revenue sources have been reduced. Overall, our revenue growth is only 8.4 percent. When you look at that in terms of creating a continuing services budget, I don’t think the county is going to have a revenue surplus this year.”

The Board raised the tax rate by 2.5 cents in 2000, and left it flat last year. The tax rate has not been cut in at least 10 years, Favola said.

In November, supervisors directed Carlee to present a balanced budget that maintains county services without a tax rate increase.

Carlee will present his draft budget to the board next month. Supervisors will begin deciding budget priorities before passing a final budget in April. The county Board will hold a public hearing on the tax rate March 21.

Other counties also are preparing their tax bills. Prince William will send its bills in March. Details were not immediately available from Fairfax County and the city of Alexandria.

More information on real estate assessments can be found on Arlington County’s Web page at [www.co.arlington.va.us](http://www.co.arlington.va.us).